

Customer Collaborative Meeting September, 2005



Customer Collaborative September Meeting

Financial Overview through July 31, 2005

- Based on a review of actual results through July 31, 2005, the FCRPS Modified Net Revenue (MNR) actuals to date remain on course with the 3rd Quarter Forecast. Agency MNR actuals to date are \$87.9 million.
- Power Business Line MNR totaling \$106.2 million through July 31, 2005, are tracking with the forecast presented in the 3rd Quarter Review.
 - Current projections of net surplus sales prices indicate improvements over SOY projections. Although improved, net secondary revenues are volatile and dependent upon water supply, market prices, and hydro operations. Current total operating revenues are \$2,228.4 million.
 - Our results this month are not inconsistent with what we expected at the time of the 3rd Quarter Review. Current expenses (operating expenses and net interest expense) total \$2,021.7 million.



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- Transmission Business Line net revenue/expense through July 31, 2005, are consistent with the 3rd Quarter Review forecast. Current actuals to date indicate net expense of \$19.3 million.
 - TBL revenues of \$524.2 million through July 31, 2005 are tracking with the total revenue forecast in the 3rd Quarter Review.
 - TBL actual expenses through July 31, 2005 are tracking with the forecast presented in the 3rd Quarter Review. Current expenses (operating expenses and net interest expense) total \$543.5 million.



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Financial Overview through July 31, 2005

- FCRPS Statement of Revenue and Expenses
- PBL Statement of Revenue and Expenses
- PBL/BPA Statement of Modified Net Revenue
- TBL Statement of Revenue and Expenses
- Corporate Statement of Revenue and Expenses



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Financial Overview through July 31, 2005

Federal Columbia River Power System					Data Source: EPM Data Warehouse
Statement of Revenues and Expenses - Customer Collaborative					Run Date: August 15, 2005
Through the Month Ended July 31, 2005 as of July 31, 2005					Run Time: 00:30
Preliminary/ Unaudited					% of Year Lapsed = 83%
Report ID: CC_0020 Requesting BL: CORPT Unit of measure: \$ Thousands					
	A	B <Note 3	C <Note 4	D	E
	Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 3 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues					
1 Gross Sales (excluding bookout adjustment) <Note 1	3,185,651	3,099,412	3,271,836	2,692,562	2,615,815
2 Bookout adjustment to Sales <Note 1	(212,155)		(188,516)	(211,041)	(172,921)
3 Miscellaneous Revenues	53,364	58,620	48,026	46,416	42,777
4 Derivatives - Mark to Market Gain (Loss) <Note 2	89,452		8,128	26,703	126,611
5 U.S. Treasury Credits	81,600	83,655	57,100	47,583	70,136
6 Total Operating Revenues	3,197,911	3,241,687	3,196,575	2,602,223	2,682,419
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
7 Columbia Generating Station	222,115	243,835	244,400	209,530	179,325
8 Bureau of Reclamation	59,599	63,700	61,000	45,408	49,278
9 Corps of Engineers	137,139	144,500	144,500	116,123	108,896
10 Long-term Contract Generating Projects	24,560	29,580	28,126	21,217	19,001
11 Operating Generation Settlement Payment	16,838	17,000	17,800	15,256	14,296
12 Non-Operating Generation	4,578	8,000	4,100	3,669	3,014
13 Gross Contracted Power Purchases and Augmentation Power Purchases (excluding bookout adj.) <Note 1	758,163	609,261	761,979	656,643	616,973
14 Bookout Adjustment to Power Purchases <Note 1	(212,155)		(188,516)	(211,041)	(172,921)
15 Residential Exchange/IOU Settlement Benefits	125,915	144,418	144,418	121,192	105,565
16 Renewable and Conservation Generation, including C&RD	82,551	92,307	87,890	66,759	65,087
17 Subtotal Power System Generation Resources	1,219,303	1,352,602	1,305,697	1,044,755	988,514
18 PBL Transmission Acquisition and Ancillary Services - (3rd Party) <Note 6	43,624	51,600	45,150	33,013	27,263
19 PBL Non-Generation Operations	57,418	52,048	52,417	41,307	45,564
20 Transmission Operations	83,945	77,893	77,035	61,429	67,692
21 Transmission Maintenance	77,475	83,218	75,251	63,428	62,302
22 Transmission Engineering	19,271	9,099	9,415	7,126	5,347
23 TBL Transmission Acquisition and Ancillary Services - (3rd Party) <Note 5, 6	3,895	13,490	13,499	4,992	4,409
24 Transmission Reimbursables	8,352	9,645	10,900	9,297	6,907
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	170,320	172,649	165,736	106,571	108,078
General and Administrative/Shared Services					
26 Additional Post-Retirement Contribution	30,900	26,500	26,500	22,083	25,750
27 Corporate Support (G&A and Shared Services) / TBL Supply Chain	84,158	118,207	117,433	96,403	68,596
28 Other Income, Expenses & Adjustments	(4,731)	(980)	699	(4,985)	(2,175)
29 Non-Federal Debt Service <Note 5	248,475	387,047	277,472	235,894	191,010
30 Depreciation & Amortization <Note 5	366,239	368,351	368,267	306,448	299,626
31 Total Operating Expenses	2,408,646	2,721,368	2,545,470	2,027,758	1,898,882
Net Operating Revenues (Expenses)	789,266	520,319	651,105	574,465	783,537
Interest Expense					
33 Interest	323,291	320,371	296,910	250,330	265,326
34 AFUDC	(38,441)	(26,855)	(22,375)	(18,644)	(25,959)
35 Net Interest Expense	284,850	293,516	274,535	231,685	239,367
Net Revenues (Expenses) from Continuing Operations	504,415	226,803	376,570	342,779	544,170
Net Revenues (Expenses)	\$504,415	\$226,803	\$376,570	\$342,779	\$544,170

<1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and gross purchase power.
<2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments

The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.

<3 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05 and includes transmission data that is consistent with the data presented in the Programs-in-Review (PIR) process.

<4 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices.

These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<5 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. VIES information is not included in rate case, budget and forecast data.

<6 The consolidated FCRPS Statement reduces reported Revenues and Expenses where between business line transactions occur, the most significant of which are for Transmission Acquisition and Ancillary Services.



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Financial Overview through July 31, 2005

Power Business Line					
Report ID: CC_0021		Statement of Revenues and Expenses - Customer Collaborative			Data Source: EPM Data Warehouse
Requesting BL: POWER		Through the Month Ended July 31, 2005 as of July 31, 2005			Run Date/Time: August 15, 2005 00:40
Unit of measure: \$ Thousands		Preliminary/ Unaudited			% of Year Lapsed = 83%
	A	B <Note 3	C <Note 4	D	E
	Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 3 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues					
1 Gross Sales (excluding bookout adjustment) <Note 1	2,682,584	2,597,951	2,767,222	2,278,277	2,195,377
2 Bookout adjustment to Sales <Note 1	(212,155)		(188,516)	(211,041)	(172,921)
3 Miscellaneous Revenues	20,495	15,768	22,486	26,062	15,309
4 Inter-Business Unit	76,923	69,648	71,370	60,772	65,106
5 Derivatives - Mark to Market Gain (Loss) <Note 2	89,452		8,128	26,703	126,611
6 U.S. Treasury Credits	81,600	83,655	57,100	47,583	70,136
7 Total Operating Revenues	2,738,898	2,767,023	2,737,791	2,228,356	2,299,618
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
8 Columbia Generating Station	222,115	243,835	244,400	209,530	179,325
9 Bureau of Reclamation	59,599	63,700	61,000	45,408	49,278
10 Corps of Engineers	137,139	144,500	144,500	116,123	108,896
11 Long-term Contract Generating Projects	24,560	29,580	28,126	21,217	19,001
12 Operating Generation Settlement Payment	16,838	17,000	17,800	15,256	14,296
13 Non-Operating Generation	4,579	8,000	4,100	3,669	3,016
14 Gross Contracted Power Purchases and Aug Power Purchases (excluding bookout adj.) <Note 1	758,163	609,261	761,979	656,643	616,973
15 Bookout Adjustment to Power Purchases <Note 1	(212,155)		(188,516)	(211,041)	(172,921)
16 Residential Exchange/IOU Settlement Benefits	125,915	144,418	144,418	121,192	105,565
17 Renewable and Conservation Generation, including C&RD	82,599	92,307	87,890	66,824	65,118
18 Subtotal Power System Generation Resources	1,219,353	1,352,602	1,305,697	1,044,820	988,547
17 PBL Transmission Acquisition and Ancillary Services	149,986	171,400	149,585	121,783	117,299
18 Power Non-Generation Operations	58,579	52,519	52,417	41,446	45,949
19 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	170,569	173,036	165,736	106,683	108,241
General and Administrative/Shared Services					
20 Additional Post-Retirement Contribution	15,450	13,250	13,250	11,042	12,875
21 Corporate Support - G&A and Shared Services; TBL Support - Supply Chain	37,365	53,679	53,679	43,545	29,787
22 Other Income, Expenses & Adjustments	(629)		1,276	(3,165)	43
23 Non-Federal Debt Service	429,142	512,503	403,624	369,446	345,188
24 Depreciation & Amortization	177,297	179,201	177,667	147,527	146,439
25 Total Operating Expenses	2,257,111	2,508,190	2,322,931	1,883,128	1,794,367
26 Net Operating Revenues (Expenses)	481,787	258,832	414,860	345,228	505,252
Interest Expense					
27 Interest	180,444	186,999	175,840	145,711	143,426
28 AFUDC	(17,913)	(9,320)	(8,875)	(7,150)	(8,025)
29 Net Interest Expense	162,531	177,679	166,965	138,561	135,400
30 Net Revenues (Expenses) from Continuing Operations	319,256	81,153	247,894	206,667	369,851
31 Net Revenues (Expenses)	\$319,256	\$81,153	\$247,894	\$206,667	\$369,851

<1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and gross purchase power.

<2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.

<3 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05.

<4 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.



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Financial Overview through July 31, 2005

Report ID: CC_0022	Federal Columbia River Power System	Data Source: EPM Data Warehouse
Requesting BL: CORPT	Schedule of Net Revenue (Expense) to Modified Net Revenue - Customer Collaborative	Run Date: August 15, 2005
Unit of measure: \$ Thousands	Through the Month Ended July 31, 2005 as of July 31, 2005	Run Time: 00:47
	Preliminary/ Unaudited	

	A	B	C	D	E	F <Note 9	G <Note 7
	Actuals: FY 2000	Actuals: FY 2001	Actuals: FY 2002	Actuals: FY 2003	Actuals: FY 2004	Target SOY: FY 2005	Forecast: QTR FY 2005
Power Business Line (PBL)							
1 PBL Net Revenue (Expense) <Note 1	252,130	(380,538)	(87,421)	242,996	319,256	81,153	247,894
PBL Modified Net Revenue Adjustments:							
2 SFAS 133 Adjustments (MTM) <Notes 1, 2		(120,614)	38,354	55,265	89,452		8,128
3 ENW Debt Adjustments <Note 2	(81,677)	(157,853)	(264,697)	(148,085)	(151,275)	(18,950)	(121,972)
4 PBL Modified Net Revenue Adjustments <Note 3	(81,677)	(37,239)	(303,051)	(203,350)	(240,727)	(18,950)	(130,100)
5 PBL Modified Net Revenue <Note 4	170,453	(417,778)	(390,472)	39,646	78,529	62,203	117,794
6 PBL Accumulated Net Revenue (GRSP Defined) <Note 5	170,453	(247,325)	(637,797)	(598,151)	(519,622)	(457,419)	(401,828)
7 FBCRAC Threshold Amount <Note 6	--	(386,000)	(408,000)	(378,000)	(264,000)	(334,000)	(334,000)
8							
							MNR Improvements Required to not trigger FBCRAC
							67,828
9 FCRPS Modified Net Revenue <Note 8	159,300	(374,640)	(346,387)	36,874	66,327	63,129	101,670

- <1 Includes \$168,491k unrealized loss due to the Cumulative Effect of Change in Accounting Principle for SFAS 133, which was posted to FY 2001. This amount is excluded when calculating the MNR. Prior report releases and presentations reported the net effect of this change, resulting in previously reported amounts of \$(212,043.18)k for PBL Net Revenue (Expense), and \$(205,730.03) for PBL MNR Adjustment.
- <2 Revenue Adjustments reflect impacts from SFAS 133 that are subtracted from net revenue, while EN Debt Service adjustments reduce MNR if rate case amounts exceed actual EN Debt Services expenses.
- <3 Consistent with the GRSP's, the Modified Net Revenue (MNR) is an adjustment to Net Revenues for the purpose of calculating the rate case Financial and Safety-net Cost Recovery Adjustment Clause. The MNR excludes the impact of SFAS 133 transactions (Accounting for Derivative Instruments and Hedging Activities); for Debt Service, the MNR excludes actual EN debt service and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies.
- <4 FYTD PBL MNR equals \$108 million and FYTD FCRPS MNR equals \$88 million.
- <5 The GRSP's definition of the Accumulated Net Revenue (ANR) differs from the accounting standard definition of ANR. The GRSP's defined ANR is used in determining the FB CRAC rates; the GRSP's ANR represents the accounting standard Accumulated Net Revenue (starting 09/30/99) less the accumulated effects of FAS 133 and EN debt refinancing activities (see note 1.)
- <6 In accordance with the GRSP's, the FB CRAC thresholds were established to provide an upward adjustment to rates to address declining financial circumstances. The thresholds are established as a benchmark in which to evaluate the financial condition. The FB CRAC thresholds for the ends of FY 2003 - 2005 are reset to equal the SN CRAC thresholds each time the SN CRAC thresholds are recalculated. [SN-03-A-02]
- <7 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. This report is not an absolute prediction of future revenues or costs, nor does it reflect the actual ANR for the end of the fiscal year, (unless otherwise indicated.) This report should not be used for investment purposes, nor is it a guarantee that the actual ANR will be achieved as forecasted.
- <8 Because the FCRPS MNR excludes actual EN debt service amounts and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies, the FCRPS MNR removes the effect of debt refinancing from BPA's annual financial activities.
- <9 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05 and includes transmission data that is consistent with the data presented in the Programs-in-Review (PIR) process.



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Financial Overview through July 31, 2005

Transmission Business Line		
Report ID: CC_0023	Statement of Revenues and Expenses - Customer Collaborative	Data Source: EPM Data Warehouse
Requesting BL: TRANS	Through the Month Ended July 31, 2005 as of July 31, 2005	Run Date/Time: August 15, 2005/ 01:06
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 83%

	A	B <Note 1	C <Note 2	D <Note 3	E	F
	Actuals: FY 2004	Rate Case Forecast: FY 2005	Target: SOY FY 2005	Forecast: Quarter3 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues						
1 Sales	503,068	599,661	501,461	504,615	414,285	420,438
2 Miscellaneous Revenues	32,868	13,404	42,852	25,540	20,354	27,468
3 Inter-Business Unit Revenues	108,123	132,077	95,493	103,231	89,564	90,690
4 Total Operating Revenues	644,059	745,142	639,806	633,385	524,204	538,597
Operating Expenses						
5 Transmission Operations	83,998	98,811	77,893	77,035	61,544	67,692
6 Transmission Maintenance	77,475	86,511	83,218	75,251	63,428	62,302
7 Transmission Engineering	19,893	10,768	9,099	9,415	7,551	5,747
8 TBL Transmission Acquisition and Ancillary Services <Note 4	79,977	88,860	86,292	88,508	65,224	69,115
9 Transmission Reimbursables	8,352	10,000	10,000	10,900	9,297	6,907
General and Administrative/Shared Services						
10 Additional Post-Retirement Contribution	15,450	13,250	13,250	13,250	11,042	12,875
11 Corporate Support - G&A and Shared Services/TBL Support - Supply Chain	47,166	63,978	64,528	63,753	52,857	38,809
12 Other Income, Expenses & Adjustments	(4,008)		(980)	(577)	(601)	313
13 Non-Federal Debt Service <Note 4	1,191		(6,432)	(6,432)	(93)	
14 Depreciation & Amortization <Note 4	188,942	190,746	189,150	190,600	158,920	153,187
15 Total Operating Expenses	518,438	562,924	526,017	521,702	429,169	416,946
16 Net Operating Revenues (Expenses)	125,620	182,217	113,789	111,683	95,035	121,651
Interest Expense						
17 Interest	158,350	199,789	159,072	146,150	125,549	134,819
18 AFUDC	(20,528)	(23,500)	(17,535)	(13,500)	(11,260)	(17,843)
19 Net Interest Expense	137,822	176,289	141,537	132,650	114,289	116,976
20 Net Revenues (Expenses) from Continuing Operations	(12,202)	5,928	(27,748)	(20,967)	(19,254)	4,675
21 Net Revenues (Expenses)	(\$12,202)	\$5,928	(\$27,748)	(\$20,967)	(\$19,254)	\$4,675

<1 The TBL groupings of expenses by programs and sub-programs for FY 2005 estimates, developed as part of the 2005 Rate Case, are reconstituted to match the programs and sub-programs groupings shown on this report.

<2 The Start-of-Year (SOY) budget for FY 2005 is consistent with the data presented in the Programs-in-Review (PIR) process.

<3 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<4 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. VIES information is not included in rate case, budget and forecast data.



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Financial Overview through July 31, 2005

Corporate Business Unit					
Statement of Revenues and Expenses - Customer Collaborative					
Through the Month Ended July 31, 2005 as of July 31, 2005					
Preliminary/ Unaudited					
Data Source: EPM Data Warehouse					
Run Date: August 15, 2005					
Run Time: 01:19					
Report ID: CC_0024					
Requesting BL: CORPT					
Unit of measure: \$ Thousands					
% of Year Lapsed = 83%					
	A	B <Note 4	C	D	E
	Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 3 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues					
1 Sales					
2 Miscellaneous Revenues					
3 Derivatives - Mark to Market Gain (Loss)					
4 U.S. Treasury Credits					
5 Total Operating Revenues					
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
6 Columbia Generating Station					
7 Bureau of Reclamation					
8 Corps of Engineers					
9 Long-term Contract Generating Projects					
10 Operating Generation Settlement Payment					
11 Non-Operating Generation					
12 Contracted Power Purchases and Augmentation Power Purchases					
13 Residential Exchange/IOU Settlement Benefits					
14 Renewable and Conservation Generation, including C&RD					
15 Subtotal Power System Generation Resources					
16 PBL Transmission Acquisition and Ancillary Services					
17 PBL Non-Generation Operations					
18 Transmission Operations					
19 Transmission Maintenance					
20 Transmission Engineering					
21 TBL Transmission Acquisition and Ancillary Services					
22 Transmission Reimbursables					
23 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements					
General and Administrative/Shared Services					
24 Additional Post-Retirement Contribution					
25 Corporate Support (G&A and Shared Services) / TBL Supply Chain					
26 Other Income, Expenses & Adjustments <Note 1				(742)	(2,457)
27 Non-Federal Debt Service <Note 2	(181,858)	(119,024)	(119,720)	(133,460)	(154,178)
28 Depreciation & Amortization					
29 Total Operating Expenses	(181,858)	(119,024)	(119,720)	(134,202)	(156,635)
30 Net Operating Revenues (Expenses)	181,858	119,024	119,720	134,202	156,635
Interest Expense					
31 Interest <Note 3	(15,503)	(25,700)	(25,080)	(20,931)	(12,919)
32 AFUDC				(234)	(90)
33 Net Interest Expense	(15,503)	(25,700)	(25,080)	(21,165)	(13,010)
34 Net Revenues (Expenses) from Continuing Operations	197,361	144,724	144,800	155,366	169,644
35 Net Revenues (Expenses)	\$197,361	\$144,724	\$144,800	\$155,366	\$169,644

<1 Balances may be due to under/(over) clearing of Corporate expenses.

<2 Corporate Non-Federal Debt Service represents transactions related to Energy Northwest Debt Reassignment.

<3 Corporate Interest reflects the reassignment of Energy Northwest Debt transactions for interest paid by the Transmission business line for use of Debt Reassignment proceeds.

<4 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05.

